JUDGE MARC L. BARRECA
Seattle
Chapter 7
Hearing Date: May 27, 2011
Hearing Time: 9:30 am
Response Date: May 20, 2011

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re: ADAM R. GROSSMAN, Debtor.	No. 10-19817 APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES OF TSAI LAW COMPANY, PLLC, SPECIAL COUNSEL TO THE DEBTOR

COMES NOW the Tsai Law Company, PLLC ("Tsai Law Company"), Court-appointed Special Counsel to the Debtor in this case, by and through its counsel, William F. Malaier, Jr. of Nagler & Malaier, P.S., and hereby makes application for compensation in this case for the time period between September 16, 2010 through January 20, 2011, and respectfully requests this Court enter an Order allowing and authorizing payment of its attorney's fees in the amount of $51,723.83 and reimbursement of costs and expenses related to litigation in the amount of $10,355.17. This Application is based upon the contemporaneously filed declarations of Emily Tsai, Dennis Vidach and Susan Meyers. In support of this Application, Tsai Law Company represents as follows:

1. Date of Order Authorizing Employment of Counsel. Tsai Law Company was appointed by Order of this Court dated November 12, 2010 (Docket # 62), to represent the then-Chapter 11 Debtor in Possession, Adam Grossman, as Special Counsel in his

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dissolution of marriage. This Application has been prepared and submitted in compliance with 11 U.S.C. § 331, Federal Rule of Bankruptcy Procedure 2016, Local Rule 2016, and the U.S. Trustee guidelines establishing procedures for compensation and reimbursement of professional expenses.

2. Dates and Amounts Received from Prior Fee Applications. This is the first request for compensation by Tsai Law Company. At the time of its appointment as Special Counsel, Tsai Law Company disclosed that the Debtor in Possession had previously paid to Tsai Law Company, fees in the amount of $27,500.00, from the following sources, post-petition for pre-appointment professional services rendered:

A. Lyman Opie in the amount of $20,000.00, deposited by check directly into Tsai Law Company's IOLTA trust account for payment of fees rendered previously with regard to Debtor's divorce proceedings. Lyman Opie is a creditor of Debtor's, but does not owe Debtor any money whatsoever. Accordingly, such funds were not property of this bankruptcy estate.

B. Peter Hendrickson in the amount of $7,500.00. Peter Hendrickson paid these funds directly to Tsai Law Company by way of a charge to his credit card. Peter Hendrickson is a disinterested party in this bankruptcy proceeding, and does not owe the Debtor money, nor is owed money by the Debtor. Said funds were gifted to the Debtor for the sole purpose of paying pre-petition professional fees, and would therefore not have been available to pay creditors of the bankruptcy estate under any circumstance.

C. The Debtor paid Tsai Law Company a total of $5,000.00.

All of the aforementioned funds were first deposited into Tsai Law Company's IOLTA trust account, and have been previously drawn down for professional services rendered to Debtor in Debtor's dissolution proceeding.

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3. Amount of Funds in the Estate. Tsai Law Company does not have first-hand knowledge of the amount of funds, if any, remaining in the bankruptcy estate.

4. Source of Payment for Requested Compensation. A portion of allowed compensation and reimbursement of expenses is requested from a third party friend of the Debtor, Mr. Dennis Vidach. Mr. Vidach is not a creditor of Debtor's, and has agreed to pay Tsai Law Company $9,500.00 toward allowed compensation and expenses. Another portion of the allowed compensation is from Debtor's aunt, Susan Myers, who has agreed to pay $20,000.00 toward allowed compensation and expenses. Both Mr. Vidach and Ms. Myers have paid the aforementioned sums to Tsai Law Company, who in turn is holding said funds in its IOLTA trust account pending Court approval of this Application. Mr. Vidach and Ms. Myers have represented that they wish to pay a portion of the Debtor's attorney's fees only, and for no other purpose. Mr. Vidach and Ms. Myers have prepared sworn declarations attesting to this fact, and both declarations have been filed contemporaneously with this Application.

5. Amount of Fees and Costs/Expenses Currently Requested. Tsai Law Company hereby applies for Court approval of post-petition outstanding professional fees in the amount of $51,723.83, and reimbursement of post-petition outstanding costs in the amount of $10,355.17, for a grand total of $62,079.00. Copies of all billing records associated with these fees and costs is attached as Exhibit A to the contemporaneously filed declaration of Emily Tsai. The aforementioned costs in the amount of $10,355.17 include deposition costs, messenger fees, filing fees, and witness fees, including the testimony of a parenting evaluator. Per the terms of its Order approving its appointment as Special Counsel, Tsai Law Company charged a flat daily trial rate of $3,500.00 per day for trial days only, and the trial was five days long, for a total attorney's fee of $17,500.00 for trial days. For non-

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trial days, Tsai Law Company partners charged $295.00 per hour for trial preparation and pre and post trial motion. Associates working for Tsai Law Company charged $250.00 per hour to assist in organizing financial information related to the dissolution case. In total, Tsai Law Company partners spent a total of 197.20 hours from beginning to end on Debtor's dissolution of marriage, including discovery hearings, pre and post trial motion hearings, pre-trial conferences, and trial. Associates spent 14.20 hours working on the matter. After subtracting the money previously paid to Tsai Law Company as set forth in Section 3, above, a total of $62,079.00 remains unpaid.

Specifically, the time spent on professional services provided by Tsai Law Company to the Debtor is as follows:

Category	Number of Hours	Billing Rate	Total
Trial (Dissolution)	5 days	$3,500.00/day	$17,500.00
Depositions of parties and witnesses	21.30	$295.00/hour	$6,283.50
Preparation of pre-trial motions, including attendance at hearings on pre-trial motions and preparation of trial brief	42.00	$295.00/hour	$12,390.00
General litigation services, including correspondence with client and opposing counsel; preparation of witness lists, subpoenas; trial preparation; document review;	40.60	$295.00/hour	$12,000.33
Litigation support work performed by associates;	14.20	$250.00/hour	$3,550.00

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Costs/Expenses including witness fees, deposition costs, messenger fees, filing fees, etc.	N/A	N/A	$10,355.17
TOTALS (excluding trial days billed at flat fee per day):	118.10	N/A	**$62,079.00**

6. Summary of Services Provided, Result and Benefit to the Estate. As Special Counsel for Debtor, Tsai Law Company provided legal counsel, documentation and assistance to the Debtor with respect to several significant aspects of this case, including the following:

(A) Providing legal counsel and assistance in determining relevant evidence of the Debtor's assets and liabilities to present to the trial court in his dissolution proceeding;

(B) Providing all litigation support and assistance in asserting the Debtor's rights to various assets, the valuation of assets, and businesses;

(C) Providing all litigation support and assistance in asserting the Debtor's income and liabilities;

(D) Providing litigation support and assistance to try to dispel misrepresentations regarding Debtor's assets to the trial court;

(E) Accurately determining and assessing Debtor's wife's income for purposes of determining family support relative to the award of assets and liabilities;

(F) Providing all litigation support and assistance regarding issues surrounding parenting and allegations of domestic violence.

The efforts of Tsai Law Company, together with the Debtor, have resulted in a decision by the Superior Court awarding various assets and liabilities to the

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Debtor, a parenting plan for the Debtor's children and an order of child support. The allegations of Debtor's wife surrounding property of the estate were grossly exaggerated to the trial court, and counsel's representation was necessary to try to present the Superior Court with a balanced and true picture of the actual assets of the estate.

Moreover, notwithstanding the value to the estate provided by the foregoing, Tsai Law Company seeks partial payment of the fees and costs applied for in this Application from third parties who would not otherwise provide payment to Debtor. That portion of the proposed payment provided by Mr. Vidach and Ms. Myers are unambiguously not property of the bankruptcy estate.

7. Projection of Future Expenses and Fees and Their Anticipated Source of Payment. The Debtor's dissolution trial is finished and the purpose for which Tsai Law Company has appeared is largely complete, though there remains some clarification of final orders and the possibility of an appeal. The Debtor has indicated that he is appealing the decision of the trial court, either with counsel or *pro se.* Tsai Law Company is willing to extend to the Debtor some unbundled legal services on this basis, provided the Debtor continues to find a means of paying down existing attorney's fees.

The services provided and costs incurred by Tsai Law Company, as reflected in the declaration of Emily Tsai and Exhibit A attached thereto, were performed on behalf of the Debtor and not on behalf of a creditor or other entity herein.

Pursuant to 11 U.S.C. § 504, Tsai Law Company will not share such compensation or reimbursement of expenses applied for herein with any other person or firm.

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WHEREFORE, Tsai Law Company respectfully requests that the Court approve the professional fees and reimbursement of expenses applied for herein in the amount of $62,079.00. Tsai Law Company further requests that the Court authorize, immediately upon entry of an Order approving said fees and costs, Tsai Law Company to disburse to itself the sum of $29,500.00 paid to Tsai Law Company by Dennis Vidach and Susan Myers, and currently held in trust pending Order of this Court.

DATED this 23rd day of March, 2011.

NAGLER & MALAIER, P.S.

/s/William F. Malaier, Jr.
WILLIAM F. MALAIER, JR.
WSBA# 34152
Of Attorneys for Tsai Law Company, PLLC

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UNITED STATES BANKRUPTCY COURT
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In re: ADAM R. GROSSMAN, Debtor.	No. 10-19817 ORDER GRANTING APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES OF TSAI LAW COMPANY, PLLC, SPECIAL COUNSEL TO THE DEBTOR ***Proposed***

THIS MATTER having come before the Court upon the Application for Compensation Reimbursement of Expenses of Tsai Law Company, PLLC (the "Application", and "Tsai Law Company"), Special Counsel to the Debtor, to consider the allowance of the fees and expenses of Tsai Law Company as more fully set forth below, and the Court having reviewed the Application and the supporting declarations and pleadings filed herein, and the court being satisfied that notice has been sufficient and that compensation and reimbursement of costs sought is both proper and reasonable, now, therefore, it is hereby,

ORDERED, ADJUDGED and DECREED that the compensation requested by Tsai Law Company, as set forth below and in the Application, is found to be reasonable and is hereby approved and allowed for the time period September 16, 2010 through January 20, 2011:

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1. Tsai Law Company
Fees: $51,723.83
Costs/Expenses: $10,355.17

It is further,

ORDERED, ADJUDGED and DECREED that Tsai Law Company is authorized, immediately upon entry of this Order, to disburse to itself the sum of $29,500.00 paid to Tsai Law Company by Dennis Vidach and Susan Myers, and currently held in its IOLTA trust account.

DATED this _____day of May, 2011.

____
HON. MARC L. BARRECA
United States Bankruptcy Judge

NAGLER & MALAIER, P.S.

/s/William F. Malaier, Jr.
WILLIAM F. MALAIER, JR.
WSBA# 34152
Of Attorneys for Tsai Law Company, PLLC

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